



State of California
Employment Training Panel

Training Proposal for:
Organic Mattresses, Inc.
Agreement Type: **Small Business**
Agreement Number: **ET09-0268**

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **Sacramento**

Analyst: K. Ohta

CONTRACTOR:

- Type of Industry: Manufacturing:
Priority Industry: ☒ Yes ☐ No
- Contractor's # of Full-Time Employees
 - California: 30
 - Worldwide: 30
 - Number to be trained: 27
- Turnover Rate: 15%
- Repeat Contractor: ☐ Yes ☒ No

CONTRACT:

- Training Project Profile: Priority/Retrainee
- ETP Funding Amount: \$21,060
- In Kind Contribution: \$15,000
- Average Cost per Trainee: \$780
- Post Retention Wage: \$10.32
- Health Benefits: N/A
- Occupations to be Trained: Administration, Production Workers, Managers/Supervisors
- Training Menu:
 - ☐ Business skills ☒ Literacy skills
 - ☐ Commercial skills ☒ Management skills
 - ☒ Computer skills ☒ Manufacturing skills
 - ☒ Cont. Improvement ☐ Other:
- Range of Hours: 8 - 60 Weighted Average: 30
- Multiple Job Numbers: ☒ Yes ☐ No

- County(ies) Served: Sutter County
- Union Representation: ☐ Yes ☒ No
- Subcontractor: None
- Third Party Services: None

INTRODUCTION

Organic Mattresses, Inc. (OMI) is a leading manufacturer of organic mattresses and bedding. OMI is a full-circle environmental company committed to offering retailers the purest organic mattresses and bedroom products.

OMI uses only the finest certified, organic, raw materials in the production of its mattresses and bedding. The certified organic cotton batting is premium grade virgin cotton that has been sanitized with OMI's exclusive non-chemical ozone process and garneted to specifications. Premium Eco-Wool is humanely shorn from hormone free, homeopathically raised California sheep that graze in pesticide-free meadows. OMI's natural rubber latex cores are supplied by the only US source for pure 100% natural Talalay-processed rubber.

As opposed to synthetic foam, the rubber for OMI's products is derived from the milk of the rubber tree in a manner similar to that used to tap maple trees for the production of maple syrup. It is dried to a fine powder and stored until needed to manufacture the core. The Talalay process consists of whipping the reconstituted liquid rubber, injecting it into a vacuum mold, flash-freezing the latex to prevent settling, and then heating the rubber into its final state.

With the company experiencing higher production demands and new products being added, company officials state training is needed to become a higher performance workplace, to increase efficiency, and to maintain high product quality and customer satisfaction levels while enhancing its competitive edge. OMI is also planning to hire an additional 15 to 20 new employees during the term of this Agreement, due to the growth of its business.

Request for Wage Modification

The 27 trainees work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, California Code of Regulations (CCR), Section 4429(b).)

OMI is requesting a modification to reduce Sutter County's ETP minimum wage of \$12.85 per hour to \$10.32 per hour for 21 trainees in Job Number 1. After training and the 90-day post retention period, trainees making \$9.64 an hour will receive a 7% wage increase; bringing their base wage up to \$10.32 an hour. The policy for HUA's allows the Panel to reduce the ETP Minimum Wage requirement by up to 25%, on a case-by-case basis. Retraining projects may qualify for this reduction if post-retention wages exceed pre-retention wages by at least 7%, exclusive of cost-of-living adjustments or health benefits. (Title 22, CCR, Section 4429 (c).)

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the wage modification for trainees in Job Number 1.